

Millennium Challenge Corporation

Reducing Poverty Through Growth



COUNTRY : NICARAGUA

STATUS : IMPLEMENTATION, YEAR 1

LAST UPDATE : AUGUST 2006

GENERAL INFORMATION

Population	5,376,140*
GNI Per Capita	\$910*
Location	Central America, bordered on the west by the Pacific Ocean and on the east by the Caribbean Sea
Total Compact Amount	\$175 Million
Compact Duration	5 Years

ENRIQUE BOLAÑOS

President of Nicaragua

"On this occasion, our thanks go for new assistance in fighting poverty through a special investment of \$175 million, a grant through the program of the Millennium Challenge Account. This visionary program will play a pivotal role within the context of democracy, freedom, national security and trade. This new kind of assistance makes it clear that there is a shared commitment in the task of reducing poverty and creating prosperity and we are committed to this."

COMPACT GOAL

Nicaragua's MCA program is focused on creating a regional engine for economic growth by transforming the rural business sector in the northwest of the country into a high-value, sustainable corridor that is linked to regional and international markets.

EXPECTED RESULTS

The Compact will reduce poverty and spur economic growth by funding projects in the regions of León and Chinandega aimed at:

- Reducing transportation costs and improving access to markets for rural communities
- Increasing wages and profits from farming and related enterprises in the region
- Increasing investment by strengthening property rights

UPDATE ON PROGRESS

- The Compact was ratified by the National Assembly on April 5, 2006.
- Entry-into-Force took place on May 26, 2006 and the initial disbursement (\$2.1 million) occurred on June 14, 2006.
- MCA-Nicaragua has hired nearly all key staff members, and significant implementation planning in all project areas is underway.
- Further information about MCA-Nicaragua's activities can be found on their website: www.cuentadelmilenio.org.ni

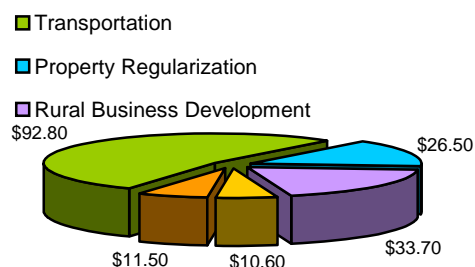
COMPACT PROCESS

DATE

Eligibility Notification	<input checked="" type="checkbox"/>	May 6, 2004
Proposal Receipt	<input checked="" type="checkbox"/>	October 25, 2004
Opportunity Memo	<input checked="" type="checkbox"/>	October 28, 2004
Congressional Notification on Formal Negotiations	<input checked="" type="checkbox"/>	November 3, 2004
Investment Memo	<input checked="" type="checkbox"/>	May 26, 2005
Board Approval	<input checked="" type="checkbox"/>	June 13, 2005
Compact Signing	<input checked="" type="checkbox"/>	July 14, 2005
Entry into Force	<input checked="" type="checkbox"/>	May 26, 2006
Initial Disbursement	<input checked="" type="checkbox"/>	June 14, 2006

OBLIGATIONS BY KEY SECTORS

(IN MILLIONS)



NICARAGUA DISBURSEMENT SCHEDULE

(IN MILLIONS)

